

Friday, 22nd August, 1980.

The Gilt Edged market was easier at the opening in all sections, following further consideration of the Public Sector Borrowing Requirement which had been announced during the previous afternoon. Short-dated bonds were $\frac{1}{8}$ - $\frac{1}{8}$ lower and the medium and long-dated issues about $\frac{1}{4}$ down. Business was on a very small scale throughout the day in advance of the long week-end and, although some recovery was seen in the long-dated issues, which ended the day only about $\frac{1}{8}$ below the opening levels, short-dated bonds did see some selling. Prices of the high coupon issues in the 1983/85 area of the market ended the day about $\frac{1}{4}$ - $\frac{3}{8}$ down.

The Industrial market opened steadily at the end of the second week of the Long Bank Holiday Account. Trading conditions were quiet but some selective investment interest caused prices to improve marginally during the day. Among generally better Electricals, Racal and Thorn-EMI were firm features. However, Plessey and Rank Organisation were dull on profit-taking. Engineering shares were mostly unchanged but Vickers were marked higher on the finalisation of the compensation figure for their Nationalised aircraft business. Distillers were well supported following publication of the annual report. I.C.I. and Blue Circle were cautiously easier ahead of results due next week. Kaffirs were lower in line with the bullion price.

Financial Times Index (3.00 p.m.) 499.4 (up 1.5)

<u>C.N.D.</u>	Sales		NIL
	Purchases	£	5,754,000
	Nett Purchases on balance	£	5,754,000
<u>BANK</u>	Sales		NIL
	Purchases	£	10,092,000
	Nett Purchases on balance	£	10,092,000