

Wednesday, 10th September, 1980.

The Gilt Edged market was very firm at the opening following the previous day's very strong conditions and favourable press comment on the Treasury statement, which had been made after the announcement of the money supply figures. Considerable demand developed in all areas of the market and, with the jobbers very short of stock, prices improved sharply in early trading to show rises of  $\frac{1}{4}$  -  $\frac{3}{8}$  in the short-dated bonds and  $\frac{1}{2}$  - 1 point in the medium and long-dated issues. The market remained firm and active throughout the morning but some profit-taking was seen during the early part of the afternoon and prices were marked down quite sharply. The market, however, ended the day looking reasonably firm with the short-dated bonds either unchanged or  $\frac{1}{16}$  -  $\frac{1}{8}$  below the previous night's closing levels and the medium and long-dated issues  $\frac{1}{4}$  -  $\frac{1}{2}$  a point below the best levels.

The Industrial market opened steadily, maintaining yesterday's late improvement. Hopes for a decrease of interest rates encouraged some further investment support during the morning session. However, profit-taking predominated in later business and prices eased back towards overnight levels. Electrical stocks were better and secondary issues, notably Ferranti and Dale Electric, encountered speculative demand. B.S.R. were easier as worse than expected losses were revealed. The Bank, Insurance and Property sectors were generally firm throughout. Peninsular and Oriental were flat following very disappointing first-half results and other leading Shipping shares were marked lower in sympathy. Thomas Tilling were weak on interim figures below market predictions. Babcock International improved after lower profits but favourable statement and unchanged dividend. Kaffirs were higher in line with the bullion price.

Financial Times Index (3.00 p.m.) 504.4 (up 0.5)

<u>C.N.D.</u>	Sales		NIL
	Purchases	£	700,000
	Nett Purchases on balance	£	472,000
<u>BANK</u>	Sales	£	9,633,000
	Purchases	£	NIL
	Nett Sales on balance	£	9,633,000