

Thursday, 18th September, 1980.

The Gilt Edged market was firm at the opening in all sections and this was thought to be mainly due to increased confidence with regard to the settling of the impending dock strike. Prices in the short-dated bonds were $\frac{1}{8}$ - $\frac{1}{4}$ higher and the long-dated issues improved by as much as $\frac{1}{2}$ - $\frac{3}{4}$ of a point. This firmer tendency continued throughout the morning and by lunchtime further gains were seen and the market was showing rises of more than 1 point in various places. The market hesitated slightly during the early part of the afternoon on the appearance of some profit-takers, but it closed the day looking reasonably firm, just below the best levels.

The Industrial market opened higher. Sentiment was helped by indications of a settlement to the Docks dispute, suggestions of a fall in the future rate of inflation and also the Saudi Arabian oil price increase, which was not as severe as expected. Considerable institutional interest was encountered during the day. However, prices closed below the best levels, affected by the very poor figures from G.K.N. The Engineering sector was active with initial firmness giving way to sellers following lower profits and dividend from G.K.N., whose shares were sharply lower. Steetley were weak on disappointing interim results. Delta Metal were firm on better than anticipated first-half figures. Banking, Insurance, Property and Stores issues were generally firm throughout on quite strong investment demand. Oil shares were slightly better, although Burmah were lower on further consideration of yesterday's results. Kaffirs were steady as the bullion price remained unchanged.

Financial Times Index (3.00 p.m.) 500.2 (down 0.6)

<u>BANK</u>	Sales	£	14,059,000
	Purchases	£	938,000
	Nett Sales on balance	£	13,121,000