



Treasury Chambers, Parliament Street, SW1P 3AG  
01-270 3000

27 April 1990

Barry Potter Esq  
10 Downing Street  
LONDON  
SW1

Dear Barry

... I attach as requested a brief note on this week's foreign exchange movements. I hope this is helpful.

Yours  
Kate

MISS K GASELTINE  
Assistant Private Secretary

## FOREIGN EXCHANGE DEVELOPMENTS MONDAY 23 - FRIDAY 27 APRIL

EXCHANGE RATES (London close)

	£ ERI	\$/£	DM/\$	DM/£
23/4	87.4	1.6365	1.6972	2.7775
24/4	87.2	1.6347	1.6942	2.7695
25/4	86.9	1.6370	1.6830	2.7551
26/4	86.6	1.6348	1.6772	2.7419
27/4	86.7	1.6347	1.6792	2.7450

COMMENTARY

Sterling began week at ERI 87.3, \$1.6370, DM 2.7723. It fell back during first half of week ahead of UK March trade figures. Worse than expected deficit caused sharp fall, despite absence of heavy selling, with public intervention helping to steady pound. Thursday opening saw sterling fall on large Middle East selling order, but then steadied assisted by covert intervention by Bank. Closed week quietly ERI 86.7, \$ 1.6347, DM 2.7450.