

Wednesday, 16th May, 1979.

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The Gilt Edged market was firm at the opening and this improvement was caused by some buying which had been seen after hours on the previous evening and the appearance of further buyers when the market opened this morning. Rises of $\frac{1}{4}$ in the short-dated bonds and $\frac{1}{2} - \frac{3}{4}$ of a point in the long-dated issues were widespread. This firmer tendency was thought to be due to the strength of sterling and further consideration of the Government's legislative proposals. A few sellers, however, appeared at the higher levels and by lunchtime about half of the early gains had been lost. The market remained very quiet during the afternoon but a few further sellers appeared towards the close and it ended the day either unchanged or showing small losses in the short-dated bonds, while the long-dated issues were $\frac{1}{4} - \frac{3}{8}$ below the best levels.

The Industrial market opened slightly higher on reflection of the Queen's speech yesterday. Prices continued to improve on renewed investment interest during the day with all sections closing at or around the best levels. Building, Oil and Engineering shares were firm sectors, while Insurance issues were marginally easier on balance. Kaffir shares were selectively higher on the gold fix price, while Woolworth and General Accident were higher following their respective results.

Financial Times Index (3.00 p.m.) 535.2 (up 8.8)

<u>C.N.D.</u>	Sales		NIL
	Purchases	£	2,431,000
	Nett Purchases on balance	£	2,431,000
<u>Bank</u>	Sales	£	4,604,000
	Purchases	£	4,580,000
	Nett Sales on balance	£	24,000