

Wednesday, 23rd May, 1979.

The gilt-edged market was quite firm at the opening in all sections and this followed an improvement which had been seen after hours on the previous evening and the whole market was encouraged by the determination shown by the Chancellor of the Exchequer with regard to prospective cuts in income and expenditure. The jobbers being short of stock, prices improved quite sharply, and rises of as much as $\frac{1}{4}$ to $\frac{3}{8}$ were seen in the short dated bonds and as much as $\frac{1}{2}$ to $\frac{3}{4}$ in the medium to long dated issues. This firmer tendency continued during the afternoon and the whole market closed the day looking reasonably firm with further rises amounting to as much as $1 - 1\frac{1}{4}$ points in the long dated stocks, $\frac{1}{2} - \frac{3}{4}$ in the medium dated issues and $\frac{1}{4} - \frac{3}{8}$ in the short dated bonds which ended the day slightly below the best levels.

The industrial market opened higher extending the firmer tone seen late yesterday afternoon. Prices continued to improve on further consideration of the Chancellor's speech last evening and although a little selling was evident most sections closed around the higher levels. Property, Engineering and Oil shares closed with small nett gains while Kaffir issues eased slightly following the recent firmness. British Oxygen moved ahead on the interim statement while Avon Rubber initially sharply easier, recovered in later trading after their figures.

Financial Times Index (3.00 p.m.) 521.4 (up 3.8)

<u>C. N. D.</u>	Sales	NIL
	Purchases	£ 5,475,000
	Nett Purchases on balance	£ 5,475,000
<u>Bank</u>	Sales	£31,695,000
	Purchases	NIL