

Wednesday, 4th July, 1979.

JBP

The gilt edged market was firm at the opening in all sections and prices were about a $\frac{1}{16}$ to an $\frac{1}{8}$ higher in the short dated bonds and a $\frac{1}{4}$ up in the long dated issues when trading started. Business was on a much smaller scale compared to the previous two days and although the medium and long dated issues remained firm and reasonably active throughout the morning the short dated bonds encountered some profit-taking. As a result the position by mid-day was that the long dated issues had improved by as much as $\frac{1}{2}$ - $\frac{3}{4}$ of a point, while the shorts had fallen by a $\frac{1}{4}$ - $\frac{3}{8}$. During the afternoon the short dated bonds remained looking rather weak and ended the day at the lowest levels which were a further $\frac{1}{8}$ - $\frac{1}{4}$ down. Weakness in this area of the market also spread just before the close to the long dated issues and nearly all the morning gains were lost and this section of the market closed the day only just above the opening levels.

The industrial market opened steady extending the better tone seen recently. Prices continued to improve initially on small selective buying interest but all sections reacted sharply on lack of any sustained follow-through with prices closing at the lower levels. Banking and Store shares failed to maintain the better levels while Oil issues were a dull feature following the recent strength. Property shares remained an isolated firm sector while Charter Consolidated eased on the final figures.

Financial Times Index (3.00 p.m.) 477.4 (down 2.1)

C. N. D.	Purchases	£ 380,000
	Sales	NIL
	Nett Purchases on balance	£ 380,000
Bank	Purchases	£5,251,000
	Sales	£4,786,000
	Nett Purchases on balance	£ 465,000