

Thursday, 16th August, 1979.

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The Gilt Edged market was firm at the opening in all sections and a very large demand built up as soon as the market opened for the new Government short-dated tap stock, Exchequer 11<sup>1</sup>/<sub>4</sub>% 1984, 30% paid. The Authorities were able to sell quite substantial amounts of this stock at prices of 30<sup>1</sup>/<sub>4</sub> and 30<sup>5</sup>/<sub>16</sub>. The rest of the short-dated bonds turned slightly easier during the latter part of the morning but the long-dated issues remained firm and improved by <sup>1</sup>/<sub>4</sub> - <sup>1</sup>/<sub>2</sub> in places. The money and banking figures for July were announced at 2.30 and these initially were well received but, on further reflection, some quite substantial sellers appeared in the short-dated bonds and the whole market lost the improvement which had taken place during the morning and, in fact, the shorts closed <sup>1</sup>/<sub>8</sub> - <sup>3</sup>/<sub>16</sub> below the opening levels and the long-dated issues also retreated to the previous night's closing levels.

The Industrial market opened slightly higher on the firm overnight trend on Wall Street. Prices continued to improve during the day on selective buying interest with most sections closing around the best levels. Brewery, Store and Engineering shares were firm sections throughout the day, while Kaffir issues eased on balance on the gold fix price. Shell, Ultramar and Transport Development all improved marginally after their respective figures.

Financial Times Index (3.00 p.m.) 480.0 (up 5.8)

<u>Bank</u>	Sales	£	106,109,000
	Purchases	£	88,188,000
	Nett Sales on balance	£	17,921,000