

Wednesday, 19th September, 1979.

The Gilt Edged market was looking quietly firm at the opening in all sections and prices, where changed, were $\frac{1}{16}$ - $\frac{1}{8}$ higher in the shorts and $\frac{1}{8}$ - $\frac{1}{4}$ higher in the long-dated issues. Business was on a fairly low scale but small buyers predominated and most of the sellers which had been seen during the previous two days seem to have disappeared for the time being. The market improved during the morning and by lunchtime rises of as much as $\frac{3}{8}$ - $\frac{1}{2}$ a point were seen at the long end but the short-dated bonds encountered some profit-taking and were looking more or less unchanged from the opening levels. Little change was seen during the afternoon and, in spite of a further rise in one of the principal American Bank's prime rates to $13\frac{1}{4}\%$ and the higher than expected earnings figures, the market closed the day looking reasonably firm at the best levels in the medium and long-dated issues and unchanged on the day in the short-dated bonds.

The Industrial market opened easier following the overnight comment on the trade figures and the break down of talks in the engineering dispute. Prices continued to drift lower during the day on small selling, with most sections closing the day at or around the worst levels. Brewery and Electrical shares were dull sectors, while Kaffir issues eased on profit-taking despite the steady gold fix price. U.D.S., Rowntree and R.T.Z. were lower after their respective statements, while Eagle Star were marginally higher following the interim results.

Financial Times Index (3.00 p.m.) 461.5 (down 7.2)

<u>Bank</u>	Sales	£	2,434,000
	Purchases	£	38,193,000
	Nett Purchases on balance	£	35,759,000