

Tuesday, 11th December, 1979.

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The Gilt Edged market was looking quietly firm at the opening and, where changed, prices were $\frac{1}{8}$ - $\frac{3}{8}$ above the previous night's closing levels. This reflected some late buying after hours and a certain amount of interest this morning. As the jobbers were short of stock and the buying, although small, continued throughout the morning, prices improved further so that by lunchtime gains of $\frac{1}{2}$ - $\frac{1}{8}$ were widespread in all sections of the market. During the early part of the afternoon the market remained steady, in advance of the announcement of the banking figures at 2.30 p.m. and when these were known, the immediate reaction was to bring in further buyers and the whole market improved by a further $\frac{1}{4}$ - $\frac{3}{8}$, to close the day at the best levels, with rises of $1\frac{1}{4}$ - $1\frac{3}{8}$ in all sections. As a result of this firmer tendency, official supplies of the Government medium-dated tap stock, Treasury 15% 1985, were exhausted.

The Industrial market opened slightly higher, extending the better tone of yesterday. Prices continued to improve throughout the day on renewed buying interest and, with little or no selling, all sections closed at or around the best levels. Property shares were a firm sector on hopes of an early reduction in interest rates, while Paper and Building issues closed at the better levels. Kaffir shares met small investment support, while Trafalgar House and I.C. Gas were unchanged after their respective results.

Financial Times Index (3.00 p.m.) 422.7 (up 3.5)

<u>Bank</u>	Sales	£	156,864,000
	Purchases		NIL
	Nett Sales on balance	£	156,864,000