

Tuesday, 18th March, 1980.

The Gilt Edged market was very quiet and steady at the opening with no change in the medium and long-dated issues, but short-dated bonds were  $\frac{1}{16}$  -  $\frac{1}{8}$  lower, which was thought to be mainly due to fears of even higher interest rates in the U.S.A. During the morning a certain amount of selling was seen at the long end of the market and some of it was thought to be from foreign sources. As a result, by midday, the long-dated issues were about  $\frac{1}{4}$  below the opening levels. Short-dated bonds, by contrast, saw some buyers and, in particular, there was quite a strong demand for the three variable Treasury stocks and these improved sharply by as much as 1 point, as the jobbers were short of stock. Short-dated bonds also recovered their early losses and the improvement in this area of the market spread down the list so that during the afternoon the long-dated issues had recovered nearly all of their early losses. In fact, the whole market closed the day looking reasonably steady, at or around the previous night's closing levels.

The Industrial market opened lower after the sharp overnight decline on Wall Street. Prices tended to move easier initially but most sections rallied marginally towards the close on bear closing at the end of the account. Oil shares opened sharply lower on Wall Street advices but tended to close above the worst levels, while Kaffirs rallied slightly throughout the day despite the lower gold fix price. B.B.L., initially higher after the interim figures, failed to maintain the best levels, while Smith & Nephew eased after their final statement.

Financial Times Index (3.00 p.m.) 428.5 (down 4.7)

<u>BANK</u>	Sales	£	10,401,000
	Purchases	£	297,000
	Nett Sales on balance	£	10,104,000