

Tuesday, 1st April, 1980.

The Gilt Edged market was quietly firm at the opening in all sections and prices of the short-dated bonds were  $\frac{1}{16}$  -  $\frac{1}{8}$  higher. The firmness in this section spread down the list to the long-dated issues and, in early trading, a large demand built up of the Government long-dated tap stock, Treasury 14% 1996. The authorities sold stock at  $50\frac{1}{16}$  in the first instance and further sales took place up to a price of  $50\frac{5}{16}$ , at which level official supplies of this stock were exhausted. Other long-dated issues also improved by as much as  $\frac{1}{2}$  -  $\frac{3}{4}$  of a point but at this level some profit-taking was seen and by lunchtime part of the early improvement had been lost. Short-dated bonds were not nearly so active and only showed gains of  $\frac{1}{16}$  -  $\frac{1}{8}$  above the opening levels. The market became much quieter during the afternoon and little further business was seen, as there was a certain amount of unease concerning the outcome of the union rank and file reaction to the proposed Steel settlement. The market, however, closed the day looking firm but below the best levels.

The Industrial market opened slightly higher, extending yesterday's better tone. Prices continued to improve throughout the day on renewed investment demand and most sections tended to close at or around the best levels. Banking, Brewery and Oil shares were particularly firm sectors, while Kaffir and Mining Financial issues were also in demand, the former on the higher gold fix price.

Financial Times Index (3.00 p.m.) 432.3 (up 5.3)

<u>BANK</u>	Sales	£	355,465,000
	Purchases	£	69,032,000
	Nett Sales on balance	£	286,433,000